**Economics of One Unit - In Class Practice**

1.) Determine the Cost of Goods for the pizza below. Provide evidence for the cost of the item and show your work.

**Pepperoni Pizza**

Pizza Sauce - 8 oz

Cheese - 16 oz

Pepperoni - 4 oz

Pizza Dough - 32 oz

2.) **Direct Labor Costs** - Determine what your direct labor will be for making each pizza. You feel that $12.50/hr with the expectation of 8 pizzas/hr is satisfactory.

3.) **Fixed Costs** - Estimate Common Fixed Costs for the Pizza Restaurant

Utilities -

Salaries -

Advertising -

Insurance -

Interest -

Rent -

4.) **Determine your Break Even Points for the Pizza using the following price points.**

**7.99, 11.99, 14.99**

5.) **What Gross Profit will you be able to make on each pizza? Show your work.**